

BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY

Board Meeting Minutes For the Meeting of March 1, 2012

A meeting of the Ben Franklin Technology Development Authority Board (BFTDA) was held at 10:00 a.m. on March 1, 2012, at the Dixon University Center in Harrisburg, Pennsylvania.

The Board members or alternates present were as follows:

- Hon. C. Alan Walker, Secretary of DCED and Chairman of the BFTDA Board
- Austin Burke
- Doris Carson Williams
- John Clark for Hon. Kelly Logan
- Kenneth Davis
- Martin Indars for Hon. Andrew Dinniman
- Dr. S. Thomas Emerson (phone)
- Dr. Henry Foley
- Dr. Brenda Gavin
- Hon. John R. Gordner
- Dr. Robert Kumpf (phone)
- Robert McGrath for Hon. Ronald Tomalis
- Bob Schena
- Garth Shipman for Hon. Garth D. Everett
- Mayor John Callahan

Staff members and others present included the following:

- Steve Brawley, BFTP-CNP
- Carolyn Newhouse, DCED Deputy Secretary
- Jill Busch, DCED Office of Chief Counsel
- Sheri Collins, TIO
- Joe Lane, BFTP-NEP
- Carol Lengel, TIO
- Cathy Lowe, TIO
- Rich Lunak, Innovation Works
- Vito Gallo, Lehigh University
- Michael O'Rourke, DCED
- Tom Palisin, Executive Director of BFTDA
- Chad Paul, BFTP-NEP
- RoseAnn Rosenthal, BFTP-SEP
- Anthony Green, BFTP-SEP
- Janet Stainbrook, BFTP-NEP

- Mary Webber, Webber Associates
- Colton Weber, TIO
- Eric Cowden, Marcellus Shale Coalition

I. Welcome and Opening Remarks

Secretary called the meeting to order at 10:00 a.m. Secretary Walker discussed stated his optimism about Pennsylvania's economy and cited examples for his optimism including the recent expansion of Aquion Energy in southwest, Pennsylvania. He also emphasized his support of the Technology Development Authority's mission and cited the stable funding support outlined in the Governor's budget proposal.

Secretary Walker introduced Ms. Carolyn Boser Newhouse as DCED's newly appointed Deputy Secretary of Innovation and Investment.

II. Approval of Minutes

Secretary Walker requested a motion to approve the minutes of the March 1, 2012 Board Meeting. A motion to approve the minutes was made by Austin Burke, seconded by Hank Foley, and approved by a unanimous vote of the Board.

III. Board Recognition

The Board presented retiring Board Member Brenda Gavin with a Certificate of Recognition honoring her years of service and dedication to the Authority and its mission.

IV. University Research Commercialization Grant Program – Nanotechnology Projects

Mr. Colton Weber presented Nanotechnology University Commercialization Program to the Board which had \$3.15 million in available funds to support projects. Mr. Weber noted that this year, the focus of the nanotechnology projects is to maximize the available dollars. As a result, the program structure changed and it is now a competitive grant program. Mr. Weber provided the process by which projects were reviewed and recommended.

Seven (7) project applications were received. Only five (5) projects were recommended for funding with no program being fully funded. The recommendations include:

1. BFTP-SEP Nano Technology Institute (NTI)
2. PA Nano Commercialization Center
3. Lehigh University
4. Penn State University – NMT
5. Penn State University

Mr. Weber asked the Board for approval of the recommendations. A discussion followed. The outcome of the discussion was that the Board voted on and unanimously approved Weber's recommendation to fund the five nanotechnology commercialization projects.

V. Keystone Innovation Network – Budget Allocation Request

Mr. Tom Palisin presented to the Board a proposal to combine the Keystone Innovation Zones and the (Keystone) Innovation Grants into one program with unified set of guidelines. Mr. Palisin stated the program merger meets DCED's priorities and will create closer collaborations and support for the KIZ companies and the KIZ colleges and universities.

Mr. Palisin noted the original intent of the KIZ legislation was to closely link the zone activity with the tech transfer activity at universities. The proposed Keystone Innovation Network Program merger will continue the competitive program; build on its efficiencies, and; reward the most successful programs.

Mr. Palisin asked the Board to approve a \$2 million allocation for the newly formed Keystone Innovation Network. A Board discussion followed with the consensus of the Board agreeing that the program should continue to be funded citing:

1. Examples of success stories which indicated that the KIZ model is critical to partnerships and innovation,
2. Dollars leveraged versus the tremendous investment gained demonstrates the need for program continuation, and,
3. KIZ Tax Credits - which total \$10M to \$11M per year - aid an average of about 150 companies per year.

The Board voted on and unanimously approved the motion to fund the Keystone Innovation Network allocation for \$2 million. Mr. Palisin requested that the Board review the Keystone Innovation Network Guidelines. A recommendation to approve the Guidelines will be made at the April 5, 2012 Board meeting.

VI. Future Board Investment Strategy

Deputy Secretary Carolyn Newhouse assumed the Board Chair position after Secretary Walker left to attend budget hearings.

Mr. Palisin provided an overview to the Board on how the development of a Board strategy would be developed through a process of engagement working with the Board and key funded partners. The notes from the prior Board meeting developed by Fourth Economy Consulting were provided to the Board and highlights were reviewed. Staff announced it was engaging with the national trade association and the State Science and Technology Institute to assist with development of a strategy. Regular reports to the Board would be made as the strategy is developed.

Discussion followed by the Board and included:

1. How to move forward with a focused investment strategy,
2. The notes of the Technology Investment Office and Fourth Economy Consulting which highlighted the need for collaboration, and coordination of efforts, and the need to educate legislators on the impact and importance of the BFTDA.
3. Leveraging resources to develop opportunities – (Consulting capacity and hours may be available to develop a step by step policy, methods of outreach, critical industries, etc.)
4. It is important to determine Pennsylvania's expectation on investment and ascertain what other states are doing to advance investment technology in their respective states.
5. Two reports coming out in the very near future could help us to develop policy. The reports will be released by the Life Sciences Advisory Council and the Governor's Manufacturing Advisory Council.
6. This is a tough budget year. It would be beneficial to have ideas in place so the BFTDA Board can move forward quickly when and if dollars become available.
7. The individual Ben Franklin organizations must apply innovation in trying to leverage dollars, and they must be proactive in getting their message out.

VI. Presentation

Mr. Eric Cowden of the Marcellus Shale Coalition presented to the Board as was requested by the Chair from the October Board Meeting. The industry trade association highlighted its efforts to support new technology advances and innovation in the shale gas industry sector.

VII. Closing Remarks

Deputy Newhouse thanked everyone for attending and a motion was made and unanimously approved to adjourn the meeting. The next Board meeting is scheduled for April 5th, 2012.